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TAGS: [ELAB](#) [KCRM](#) [KFRD](#) [KWMN](#) [PHUM](#) [KTIP](#) [SA](#)

SUBJECT: RUMBLINGS THAT SAUDI ARABIA MAY FOLLOW BAHRAIN AND
DROP THE SPONSORSHIP SYSTEM; RUMORS OF PROGRESS ON DOMESTIC
LABOR LAW AND ANTI-TRAFFICKING LEGISLATION

REF: JEDDAH 0172

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Classified By: Consul General Martin R. Quinn for reasons 1.4 (b) and (d)

11. (C) SUMMARY: Recent media reports and an account from a Saudi Ministry of Labor official indicate that the Saudi Arabian Government (SAG) is considering an end or change to the labor sponsorship system just weeks after Bahrain took the same major step. There continue to be signs and speculation that both a domestic labor law and an anti-trafficking law are moving forward, but the exact status of these long-running bills remains unclear. Media and government remain focused on legislation, with less interest as to whether and how changes will be implemented and enforced. END SUMMARY.

SPONSORSHIP SYSTEM

12. (SBU) AL-MEDINA BLURB SUGGESTS AN END TO SPONSORSHIP IS IN SIGHT: The following short blurb in the May 16 Saudi Arabic daily Al-Madina suggested that the SAG Council of Ministers is considering changes to the sponsorship system:

Begin text.

(U) A well-informed source at the Ministry of Labor told Al-Madina that the Ministry of Labor submitted to the Council of Ministers a draft regulation on recruitment policies for foreign labor. The draft regulation would replace the current sponsorship system, and requires the establishment of private companies to oversee the employment of unskilled laborers. The new list will eliminate fraudulent visas and trafficking in visas, as well as improve the relationship between the foreign worker and the employer.

End text.

13. (C) MINISTRY OF LABOR CONSULTANT SUGGESTS THINGS ARE HAPPENING: Dr. Satti M. Taha, economic expert (Sudanese national) in the Studies and Research Department under the Deputy Ministry for Planning & Development at the Saudi Arabian Ministry of Labor, shared his view, in May 19 meeting, that the SAG is considering a major change to the sponsorship system. He could not offer specifics as to what, when, or how the system will change: "I have been hearing about it. Something is going to happen, but I am not sure if it will be a change or an improvement (to the sponsorship system)." Taha claims that discussion of the sponsorship system is taking place among concerned ministers.

¶4. (C) NEW RECRUITMENT COMPANIES A POSSIBLE ALTERNATIVE: Taha mentioned what he sees as a likely possibility, that new recruitment companies will become the main replacements for the sponsorship system. In this scenario, Taha says individuals will have their visas sponsored (under greater control) by a recruitment company instead of individual employers. He admitted that these new labor importation companies would not include all classes of employees such as domestic workers.

¶5. (U) Recent press coverage has also highlighted the possibility of using recruitment companies, including the following May 16 article in Al-Madina (separate item from the article noted para 2 above):

Begin text.

A well-informed source at the Ministry of Labor informed Al-Madina newspaper that the Ministry has completed a list that regulates the work of recruitment companies in cooperation with the owners of recruitment offices, Chambers of Commerce and employers. This list was submitted to the Minister Council as these companies will begin to function once approved. It is expected that they will be the substitute for the individual sponsorship system. The source also declared that there is a proposal for the establishment of new companies to accommodate foreign workers after the completion of the projects they were recruited for and to provide them with quality services to prevent them from falling into prohibited acts.

End text.

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¶6. (C) BAHRAIN'S DECISION TO END SPONSORSHIP INFLUENCING SAG?: The government of Bahrain's recent decision to end their labor sponsorship system has received extensive media attention as well as kudos from organizations including Human Rights Watch. Taha pointed out the change in Bahrain in noting the current SAG interest in changing its system. Later, however, he clarified that the SAG is not being influenced by this "small country that is minute compared to Saudi Arabia."

¶7. (C) INDIAN DCM SKEPTICAL OF CHANGE TO SPONSORSHIP: Indian DCM Rajeev Shahare (protect) suggested skepticism in a May 18 meeting with Riyadh poloff. In particular he noted that the business community is reticent about any changes to the sponsorship system. Shahare noted that current labor law is good, but the problem is a lack of enforcement. He added that Saudi labor law also has significant gaps, notably that it does not cover domestic workers and drivers in the country.

ANTI-TRAFFICKING

¶8. (C) MOL OFFICIAL SAYS ANTI-TRAFFICKING LEGISLATION "WILL BE APPROVED": Dr. Taha, the Labor Ministry consultant indicated that an anti-trafficking law "will be approved," but could not explain why the matter has been delayed, other than noting that the legislation must pass through multiple levels of government scrutiny. In November the Shura Council was apparently set to debate a comprehensive anti-trafficking law devised with the cooperation of several ministries. However, since that point there has been no sign of any progress. Al Sharq Al Awsat newspaper reported April 15 that two Shura Council members are drafting a law with 60 new articles related to the recruitment of foreign labor. The specifics of this draft are not clear and could be totally unrelated to the changes discussed in November.

DOMESTIC WORKERS

¶9. (C) MOL OFFICIAL NOTES PROGRESS: Dr. Taha at the Labor Ministry reported May 19 that the Shura Council was continuing to discuss a new labor law for domestic workers as recently as the week before although he was unsure whether the provisions had been approved yet. This possibility follows March media reports that the Shura Council had considered the domestic worker issue and then failed to pass any new law. Al-Madina newspaper reported March 7 that the Council was planning to discuss new draft regulations pertaining to domestic workers in the Kingdom. Domestic workers are not currently included under the mandate of Saudi labor law. Draft regulations were purported to address salaries, travel allowances, working hours, transfers between employers, penalties for non-compliant employers, and other issues. Al-Yom Arabic daily reported March 17 that the Shura Council had not approved changes to the domestic labor regulations.

¶10. (C) COMMENT - STILL WAITING FOR LEGAL CHANGES, BUT IMPLEMENTATION IS THE REAL TEST: There has been significant discussion over the past year about changes to the sponsorship system, the domestic labor law, and the possibility of passing a comprehensive anti-trafficking law. However, no major change to the legal code has yet taken place. The system for enacting change remains opaque, and the rumblings for the time being may be nothing more than wheel-spinning. As the Indian official noted, the current Saudi labor law already offers significant protections to many classes of workers. However, with so many other legal issues in the Kingdom, the real question is enforcement. END COMMENT.
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